

HEALTH CARE CENTER  
FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

**Data Collection Form for Reporting on  
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS  
for Fiscal Year Ending Dates in 2004, 2005, or 2006**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**RETURN  
TO****Federal Audit Clearinghouse  
1201 E. 10th Street  
Jeffersonville, IN 47132****PART I GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)****1. Fiscal period ending date for this submission**

Month	Day	Year
09	/ 30	/ 2007

Fiscal Period End Dates Must Be In 2004, 2005, or 2006

**2. Type of Circular A-133 audit**1  Single audit      2  Program-specific audit**3. Audit period covered**1  Annual    2  Biennial    3  Other -  Months**4. FEDERAL GOVERNMENT USE ONLY**

Date received by Federal clearinghouse

**5. Auditee Identification Numbers****a. Primary Employer Identification Number (EIN)**

5 9 - 3 1 8 5 0 2 0

b. Are multiple EINs covered in this report? 1  Yes    2  No

c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.

**d. Data Universal Numbering System (DUNS) Number**

9 6 - 6 3 3 - 3 5 7 7

e. Are multiple DUNS covered in this report? 1  Yes    2  No

f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.

**6. AUDITEE INFORMATION****a. Auditee name**

Health Care Center for the Homeless, Inc.

**b. Auditee address (Number and street)**

234 North Orange Blossom Trail

City

Orlando

State

Florida

ZIP + 4 Code

3

2

8

0

5

-

**c. Auditee contact**

Name

Bakari Burns

Title

C.E.O

**d. Auditee contact telephone**

(407) 428 - 5751 Ext. 332

**e. Auditee contact FAX**

(407) 428 - 6204

**f. Auditee contact E-mail**

bburns@hcch.org

**g. AUDITEE CERTIFICATION STATEMENT** - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official      Date  
Month    Day    Year

Printed Name of certifying official

Printed Title of certifying official

**7. AUDITOR INFORMATION (To be completed by auditor)****a. Auditor name**

Osburn, Henning and Company

**b. Auditor address (Number and street)**

617 East Colonial Drive

City

Orlando

State

Florida

ZIP + 4 Code

3

2

8

0

3

-

**c. Auditor contact**

Name

Edward A. Hofma

Title

Audit Partner

**d. Auditor contact telephone**

(407) 896 - 8021

**e. Auditor contact FAX**

(407) 896 - 8601

**f. Auditor contact E-mail**

edhofma@osburnhenning.com

**9. AUDITOR STATEMENT** - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and **is not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor

Edward A Hofma      Date  
Month    Day    Year  
02 / 11 / 08

**PART I FINANCIAL STATEMENTS (To be completed by auditor)**

1. Type of audit report  
 Mark either: 1  Unqualified opinion **OR**  
 any combination of: 2  Qualified opinion 3  Adverse opinion 4  Disclaimer of opinion
2. Is a "going concern" explanatory paragraph included in the audit report? 1  Yes 2  No
3. Is a reportable condition disclosed? 1  Yes 2  No - SKIP to Item 5
4. Is any reportable condition reported as a material weakness? 1  Yes 2  No
5. Is a material noncompliance disclosed? 1  Yes 2  No

**PART II FEDERAL PROGRAMS (To be completed by auditor)**

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12) 1  Yes 2  No
2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 300,000
3. Did the auditee qualify as a low-risk auditee? (§ .530) 1  Yes 2  No
4. Is a reportable condition disclosed for any major program? (§ .510(a)(1)) 1  Yes 2  No -SKIP to Item 6
5. Is any reportable condition reported as a material weakness? (§ .510(a)(1)) 1  Yes 2  No
6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1  Yes 2  No
7. Were Prior Audit Findings related to **direct** funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b)) 1  Yes 2  No

8. Indicate which **Federal** agency(ies) have current year audit findings related to **direct** funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to **direct** funding. (Mark (X) all that apply or None)
- |  |   |   |  |
|--|---|---|--|
| 98 <input type="checkbox"/> U.S. Agency for International Development<br>10 <input type="checkbox"/> Agriculture<br>23 <input type="checkbox"/> Appalachian Regional Commission<br>11 <input type="checkbox"/> Commerce<br>94 <input type="checkbox"/> Corporation for National and Community Service<br>12 <input type="checkbox"/> Defense<br>84 <input type="checkbox"/> Education<br>81 <input type="checkbox"/> Energy<br>66 <input type="checkbox"/> Environmental Protection Agency | 83 <input type="checkbox"/> Federal Emergency Management Agency<br>39 <input type="checkbox"/> General Services Administration<br>93 <input type="checkbox"/> Health and Human Services<br>97 <input type="checkbox"/> Homeland Security<br>14 <input type="checkbox"/> Housing and Urban Development<br>03 <input type="checkbox"/> Institute of Museum and Library Services<br>15 <input type="checkbox"/> Interior<br>16 <input type="checkbox"/> Justice<br>17 <input type="checkbox"/> Labor<br>09 <input type="checkbox"/> Legal Services Corporation | 43 <input type="checkbox"/> National Aeronautics and Space Administration<br>89 <input type="checkbox"/> National Archives and Records Administration<br>05 <input type="checkbox"/> National Endowment for the Arts<br>06 <input type="checkbox"/> National Endowment for the Humanities<br>47 <input type="checkbox"/> National Science Foundation<br>07 <input type="checkbox"/> Office of National Drug Control Policy<br>59 <input type="checkbox"/> Small Business Administration | 96 <input type="checkbox"/> Social Security Administration<br>19 <input type="checkbox"/> U.S. Department of State<br>20 <input type="checkbox"/> Transportation<br>21 <input type="checkbox"/> Treasury<br>82 <input type="checkbox"/> United States Information Agency<br>64 <input type="checkbox"/> Veterans Affairs<br>00 <input checked="" type="checkbox"/> <b>None</b><br><input type="checkbox"/> Other - Specify:<br><div style="border: 1px solid black; width: 100px; height: 15px; margin-top: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 15px; margin-top: 5px;"></div> |
|--|---|---|--|

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives .....
- and, if not marked above, the Federal cognizant agency .....

Count total number of boxes marked above and submit this number of reporting packages ..... 1

**PART III FEDERAL PROGRAMS - Continued**

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR										10. AUDIT FINDINGS	
Federal Agency Prefix 1 (a)	CFDA Number Extension 2 (b)	Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		If yes, type of audit report 3 (h)	Type(s) of compliance requirement(s) 4 (a)	Audit finding reference number(s) 5 (b)	
						Major program	Major program				
9 3	224	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Community Health Centers	\$ 600,752 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	0	N/A	
9 3	977	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Syphilis Elimination Program	\$ 6,663 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A	
1 4	228	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Community Development Block Grant	\$ 28,250 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A	
1 4	235	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Supportive Housing Program	\$ 123,196 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A	
8 3	523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Emergency/Food & Shelter Program	\$ 9,707 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A	
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
<b>TOTAL FEDERAL AWARDS EXPENDED</b>				\$ 768,568 .00							

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

1 See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.  
 2 Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)  
 3 If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.  
 4 Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.  
 5 N/A for NONE

A. Activities allowed or unallowed  
 B. Allowable costs/cost principles  
 C. Cash management  
 D. Davis - Bacon Act  
 E. Eligibility  
 F. Equipment and real property management  
 G. Matching, level of effort, earmarking  
 H. Period of availability of Federal funds  
 I. Procurement and suspension and debarment  
 J. Program income  
 K. Real property acquisition and relocation assistance  
 L. Reporting  
 M. Subrecipient monitoring  
 N. Special tests and provisions  
 O. None  
 P. Other

C O N T E N T S

	Page
REPORT OF INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3 - 4
Statements of cash flows	5 - 6
Statements of functional expenses	7 - 8
Notes to financial statements	9 - 14
REPORT OF INDEPENDENT AUDITORS ON THE SUPPLEMENTARY DATA	15
SUPPLEMENTARY DATA	
Schedule of financial awards	16
REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	17 - 18
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	19 - 20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	21 - 22

# Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS  
ON THE FINANCIAL STATEMENTS

February 11, 2008

To the Board of Directors  
Health Care Center for the Homeless, Inc.  
Orlando, Florida

We have audited the accompanying statements of financial position of the Health Care Center for the Homeless, Inc. (the Center) as of September 30, 2007 and 2006, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Care Center for the Homeless, Inc. as of September 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 11, 2008, on our consideration of the Center's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

*Osburn, Henning and Company*

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF FINANCIAL POSITION  
September 30, 2007 and 2006

ASSETS	<u>2007</u>	<u>2006</u>
Cash, including restrictions for capital campaign of \$50,995	\$ 213,461	\$ 65,526
Accounts receivable	119,181	20,202
Grants and contributions receivable	102,391	117,887
Prepaid expenses	75,468	62,770
Property and equipment, net	2,238,800	2,297,701
Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	23,524	21,103
Other	3,894	2,356
	<u>\$2,776,719</u>	<u>\$2,587,545</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 65,908	\$ 83,608
Construction costs payable	14,303	-
Accrued compensation	106,409	78,186
Other accrued expenses	3,868	4,349
Notes payable	415,342	380,906
Deferred support under conditional promise to give	581,839	527,984
	<u>1,187,669</u>	<u>1,075,033</u>
NET ASSETS		
Unrestricted	1,435,010	1,383,615
Temporarily restricted	154,040	128,897
Total net assets	<u>1,589,050</u>	<u>1,512,512</u>
	<u>\$2,776,719</u>	<u>\$2,587,545</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES  
Years Ended September 30, 2007 and 2006

	<u>Year Ended September 30, 2007</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007 Total</u>
SUPPORT AND REVENUE			
Support:			
Government grants	\$ -	\$1,727,717	\$1,727,717
Private support	544,614	168,699	713,313
In-kind contributions	545,199	-	545,199
Revenue	578,052	-	578,052
Net assets released from restrictions:			
Satisfaction of purpose restrictions	1,758,855	(1,758,855)	-
Expiration of time restrictions	112,418	(112,418)	-
Total support and revenue	<u>3,539,138</u>	<u>25,143</u>	<u>3,564,281</u>
EXPENSES			
Program services:			
Medical clinic	2,981,449	-	2,981,449
Tuberculosis shelter	73,273	-	73,273
Supporting services:			
Management and general	359,978	-	359,978
Fund-raising	73,043	-	73,043
Total expenses	<u>3,487,743</u>	<u>-</u>	<u>3,487,743</u>
INCREASE (DECREASE) IN NET ASSETS	51,395	25,143	76,538
NET ASSETS, BEGINNING	<u>1,383,615</u>	<u>128,897</u>	<u>1,512,512</u>
NET ASSETS, ENDING	<u>\$1,435,010</u>	<u>\$ 154,040</u>	<u>\$1,589,050</u>

The Notes to Financial Statements are an integral part of these statements.



HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES - CONTINUED  
 Years Ended September 30, 2007 and 2006

	Year Ended September 30, 2006		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2006 Total</u>
SUPPORT AND REVENUE			
Support:			
Government grants	\$ -	\$1,416,904	\$1,416,904
Private support	457,081	313,036	770,117
In-kind contributions	338,348	-	338,348
Revenue	218,302	-	218,302
Net assets released from restrictions:			
Satisfaction of purpose restrictions	1,815,668	(1,815,668)	-
Expiration of time restrictions	199,149	(199,149)	-
Total support and revenue	<u>3,028,548</u>	<u>(284,877)</u>	<u>2,743,671</u>
EXPENSES			
Program services:			
Medical clinic	2,502,564	-	2,502,564
Tuberculosis shelter	70,129	-	70,129
Supporting services:			
Management and general	342,836	-	342,836
Fund-raising	70,631	-	70,631
Total expenses	<u>2,986,160</u>	<u>-</u>	<u>2,986,160</u>
INCREASE (DECREASE) IN NET ASSETS	42,388	(284,877)	(242,489)
NET ASSETS, BEGINNING	<u>1,341,227</u>	<u>413,774</u>	<u>1,755,001</u>
NET ASSETS, ENDING	<u>\$1,383,615</u>	<u>\$ 128,897</u>	<u>\$1,512,512</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF CASH FLOWS  
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and patients	\$2,986,512	\$2,491,412
Interest received	521	7,091
Interest paid	(41,672)	(37,151)
Cash paid to suppliers and employees	<u>(2,698,788)</u>	<u>(2,334,228)</u>
Net cash provided by operating activities	<u>246,573</u>	<u>127,124</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(133,074)</u>	<u>(938,637)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	50,000	-
Principal payments on mortgage payable	<u>(15,564)</u>	<u>(19,107)</u>
Net cash provided by (used in) financing activities	<u>34,436</u>	<u>(19,107)</u>
NET INCREASE (DECREASE) IN CASH	147,935	(830,620)
CASH, BEGINNING	<u>65,526</u>	<u>896,146</u>
CASH, ENDING	<u>\$ 213,461</u>	<u>\$ 65,526</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF CASH FLOWS - CONTINUED  
 Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 76,538	\$ (242,489)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	213,217	204,611
Loss on disposition of property and equipment	1,661	1,519
In-kind contributions of property and equipment	(8,600)	-
Amortization of loan costs	(1,538)	2,832
Decrease (increase) in:		
Accounts receivable	(98,979)	(2,442)
Grants and contributions receivable	15,496	69,386
Prepaid expenses	(12,698)	61,568
Beneficial interest in assets of Community Foundation of Central Florida, Inc.	(2,421)	(1,748)
Increase (decrease) in:		
Accounts payable	(17,700)	(2,656)
Accrued compensation	28,223	6,226
Other accrued expenses	(481)	2,333
Deferred support under conditional promises to give	53,855	27,984
Net cash provided by operating activities	<u>\$ 246,573</u>	<u>\$ 127,124</u>

NONCASH INVESTING AND FINANCING ACTIVITIES

During the year ended September 30, 2007, the Center incurred \$14,303 in construction costs payable for the acquisition of property and equipment.

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES  
Years Ended September 30, 2007 and 2006

	Year Ended September 30, 2007				2007 Total
	Program Services		Supporting Services		
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- Raising	
Accounting	\$ 6,000	\$ -	\$ 4,400	\$ -	\$ 10,400
Advertising	7,133	-	630	-	7,763
Bank charges	-	-	2,268	-	2,268
Computer and data processing	95,065	-	10,182	-	105,247
Conferences and training	5,136	-	2,609	925	8,670
Contracted services	82,822	5,462	799	813	89,896
Contributed services	54,250	-	-	-	54,250
Depreciation and amortization	197,147	6,514	11,323	821	215,805
Direct assistance	2,660	50	-	-	2,710
Dispensary	505,105	-	-	-	505,105
Dues and subscriptions	21,229	-	9,031	1,100	31,360
Food	5	4,012	-	-	4,017
Glasses	4,700	-	-	-	4,700
Insurance	112,617	7,916	10,074	426	131,033
Interest	31,487	-	10,185	-	41,672
Lab fees	116,085	-	-	-	116,085
Lease	-	20,000	-	-	20,000
Maintenance and repairs	38,964	6,161	3,857	367	49,349
Miscellaneous	-	-	3,205	-	3,205
Personnel	1,506,985	14,537	268,700	58,417	1,848,639
Postage	1,883	-	2,217	2,808	6,908
Radiology	-	-	-	-	-
Relocation	-	-	-	-	-
Supplies	139,143	-	6,962	7,170	153,275
Taxes	4,341	119	153	-	4,613
Telephone	14,831	708	4,795	-	20,334
Travel	12,303	29	6,965	196	19,493
Utilities	21,558	7,765	1,623	-	30,946
	<u>\$2,981,449</u>	<u>\$ 73,273</u>	<u>\$359,978</u>	<u>\$73,043</u>	<u>\$3,487,743</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED  
 Years Ended September 30, 2007 and 2006

	Year Ended September 30, 2006				2006 Total
	Program Services		Supporting Services		
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- Raising	
Accounting	\$ 6,000	\$ -	\$ 9,800	\$ -	\$ 9,800
Advertising	4,939	-	3,585	-	8,524
Bank charges	-	-	2,248	-	2,248
Computer and data processing	93,583	-	10,516	65	104,164
Conferences and training	5,861	-	7,613	150	13,624
Contracted services	91,282	4,457	15,054	-	110,793
Contributed services	125,500	-	-	-	125,500
Depreciation and amortization	188,460	5,472	10,669	2,842	207,443
Direct assistance	-	-	-	-	-
Dispensary	490,280	-	-	-	490,280
Dues and subscriptions	19,555	-	6,011	724	26,290
Food	-	2,869	-	-	2,869
Glasses	7,400	-	-	-	7,400
Insurance	119,641	6,925	10,681	121	137,368
Interest	31,476	-	5,675	-	37,151
Lab fees	89,072	-	-	-	89,072
Lease	8,580	20,000	-	-	28,580
Maintenance and repairs	29,916	10,324	11,403	1,827	53,470
Miscellaneous	-	-	6,292	-	6,292
Personnel	1,069,627	12,419	216,964	47,661	1,346,671
Postage	1,490	-	1,881	2,916	6,287
Radiology	14,780	-	-	-	14,780
Relocation	-	498	4,749	-	5,247
Supplies	69,559	271	6,637	14,025	90,492
Taxes	3,201	272	181	300	3,954
Telephone	12,843	1,453	5,737	-	20,033
Travel	9,379	197	6,001	-	15,577
Utilities	16,140	4,972	1,139	-	22,251
	<u>\$2,502,564</u>	<u>\$ 70,129</u>	<u>\$342,836</u>	<u>\$70,631</u>	<u>\$2,986,160</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2007 and 2006

Note 1. Summary of Significant Accounting Policies

Organization:

Health Care Center for the Homeless, Inc. (the Center) provides quality health care services that improves the lives of the homeless and indigent. Support for providing these services is obtained from both government grants and private sector contributions. The Center serves clients in the Central Florida area.

Use of estimates:

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center.

CONTINUED ON NEXT PAGE

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2007 and 2006

Note 1. Summary of Significant Accounting Policies - (Continued)

Contributions:

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as an increase in unrestricted net assets unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due after one year are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Economic dependency:

The Center received a substantial portion of its support from less than 10 funding sources. A significant reduction in the level of this support may have an effect on the Center's programs and activities.

In-kind contributions:

In-kind contributions of materials used in programs are recorded as income and expense at the estimated fair value of the materials.

A substantial number of volunteers have contributed significant amounts of their time to the Center's programs and management. Contributions of services are recorded if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Cash:

Cash in excess of federally insured limits of \$100,000 represents a concentration of credit risk. At September 30, 2007 and 2006, cash in excess of federally insured limits amounted to approximately \$66,834 and \$-0-, respectively.

CONTINUED ON NEXT PAGE

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2007 and 2006

Note 1. Summary of Significant Accounting Policies - (Continued)

Accounts receivable and grants and contributions receivable:

Accounts receivable and grants and contributions receivable are stated at net realizable value. In determining whether or not to recognize an allowance for doubtful accounts, management makes a judgmental determination based on an evaluation of the facts and circumstances related to each account.

Property and equipment:

Property and equipment is recorded at cost. Depreciation is calculated by the straight-line method over estimated useful lives of 3 to 20 years. Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Repairs and maintenance are expensed as incurred.

Advertising:

Advertising costs are expensed as incurred.

Income taxes:

The Center is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Note 2. Grants and Contributions Receivable

Grants and contributions receivable at September 30, 2007 and 2006 consist of the following:

	<u>2007</u>	<u>2006</u>
Government grants	\$ 20,595	\$ 34,067
United Way	79,521	82,348
Other	2,275	1,472
	<u>\$102,391</u>	<u>\$117,887</u>

Grants and contributions receivable are expected to mature within one year.

CONTINUED ON NEXT PAGE



HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2007 and 2006

Note 2. Grants and Contributions Receivable - (Continued)

In addition to contributions receivable, at September 30, 2007 and 2006, the Center has received promises to give in the amount of \$1,555,736 and \$76,699, respectively, which are conditioned upon incurring future expenses. These items were not recorded as receivables as of September 30, 2007 and 2006.

The Center has deferred \$500,000 received under a grant contract to build a new building. This amount has been deferred based upon a condition in the grant contract that requires the building to be used for specified purposes for a period of five years. The amount will be recognized once the condition is fulfilled, which is expected to be in January 2011. The grant contract creates a collateral interest to the grantor in the building for the duration of the condition.

The Center has deferred other support under conditional promises to give in the amount of \$81,839 and \$27,984 as of September 30, 2007 and 2006, respectively, that should be recognized within one year.

Note 3. Property and Equipment, Net

A summary of property and equipment at September 30, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Land and building	\$1,953,673	\$1,952,361
Leasehold improvements	51,520	51,520
Equipment	672,541	746,192
Vehicles	22,500	25,500
Furniture and fixtures	49,306	48,399
Construction in process	106,494	-
	<u>2,856,034</u>	<u>2,823,972</u>
Less accumulated depreciation	617,234	526,271
	<u>\$2,238,800</u>	<u>\$2,297,701</u>

Note 4. Beneficial Interest in Net Assets of Community Foundation of Central Florida, Inc.

Beneficial interest in net assets of Community Foundation of Central Florida, Inc. (the Foundation) at September 30, 2007 and 2006 consists of the estimated fair value of assets transferred in prior years by the Center to the Foundation for which the Center designated itself as beneficiary. The Center granted the Foundation a variance power to modify or eliminate any restriction, limitation or condition on the distribution of funds. The Center has historically received a distribution each year representing a portion of the investment income on these funds. During the year ended September 30, 2007 and 2006, the distribution amounted to approximately \$1,793 and \$-0-, respectively.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2007 and 2006

Note 5. Notes Payable

Notes payable at September 30, 2007 and 2006 consists of the following:

	<u>2007</u>	<u>2006</u>
Mortgage payable, collateralized by real estate, payable in monthly installments of \$4,389 including interest at prime plus 1% with a minimum rate of 6.5% and a maximum rate of 9%, a balloon maturity in August 2007	\$ -	\$ 380,906
Mortgage payable, collateralized by real estate, payable in monthly installments of \$4,433 including interest at 8%, a balloon maturity in August 2012	365,342	-
Line of credit, \$300,000 borrowing line, uncollateralized, bearing interest at prime rate, payments through August 2008	50,000	-
	<u>\$ 415,342</u>	<u>\$ 380,906</u>

Interest expense for the years ended September 30, 2007 and 2006 were \$41,672 and \$37,151, respectively.

Future maturities of notes payable are as follows:

Year ending September 30,	
2008	\$ 72,225
2009	26,707
2010	28,924
2011	31,324
2012	256,162
	<u>\$ 415,342</u>

Note 6. In-Kind Contributions

Support and program service expenses for the years ended September 30, 2007 and 2006 contain in-kind contributions as follows:

	<u>2007</u>	<u>2006</u>
Free use of premises for clinics	\$ -	\$ 8,580
Free use of premises for tuberculosis shelter	20,000	20,000
Pharmaceuticals	419,141	122,028
Lab fees	36,108	38,260
Radiology	-	14,780
Property and equipment	8,600	-
Contributed services, primarily licensed health care professionals	54,250	125,500
Glasses	4,700	7,400
Food	2,400	1,800
	<u>\$ 545,199</u>	<u>\$ 338,348</u>

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2007 and 2006

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2007 and 2006 consist of the following:

	<u>2007</u>	<u>2006</u>
Grants and contributions receivable which are time restricted for use in future periods	\$ 79,521	\$ 82,348
Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	23,524	21,103
Cash held until purpose restrictions are satisfied	50,995	25,446
	<u>\$154,040</u>	<u>\$128,897</u>

Note 8. Retirement Program

The Center maintains a Simple Plan Retirement Program for substantially all employees. Employer contributions are based on a match of employee deferrals, and amounted to \$13,349 and \$9,617 for the years ended September 30, 2007 and 2006, respectively.

Note 9. Restatement

Net assets as of October 1, 2005 have been restated as follows to correct the accounting method used for contributions to the Community Foundation of Central Florida, Inc.:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Balance as previously reported	\$1,341,227	\$ 394,419	\$1,735,646
Restatement	<u>-</u>	<u>19,355</u>	<u>19,355</u>
Balance as restated	<u>\$1,341,227</u>	<u>\$ 413,774</u>	<u>\$1,755,001</u>

The 2006 income statement has been restated for an increase in income of \$1,748 for a contribution from the Community Foundation of Central Florida, Inc.

# Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

## REPORT OF INDEPENDENT AUDITORS ON THE SUPPLEMENTARY DATA

February 11, 2008

To the Board of Directors  
Health Care Center for the Homeless, Inc.  
Orlando, Florida

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary data on page 16 is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Osburn, Henning and Company*

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINANCIAL AWARDS  
Year Ended September 30, 2007

	<u>CFDA #</u>	<u>Grant Revenue</u>	<u>Qualified Expenditures</u>
FEDERAL PROGRAMS			
U. S. Department of Health and Human Services:			
Community Health Centers	93.224	\$ 600,752	\$ 600,752
Syphilis Elimination Program	93.977	6,663	6,663
U. S. Department of Housing and Urban Development:			
Community Development Block Grant:			
Received from Orange County, Florida	14.228	28,250	28,250
Supportive Housing Program:			
Received from Orange County, Florida	14.235	123,196	123,196
Federal Emergency Management Agency:			
Emergency Food and Shelter Program:			
Received from Orange County, Florida	83.523	<u>9,707</u>	<u>9,707</u>
		768,568	<u>\$ 768,568</u>
STATE AND LOCAL PROGRAMS			
Orange County, Florida		<u>959,149</u>	
		<u>\$1,727,717</u>	

BASIS OF PRESENTATION:

This schedule of financial awards includes the federal grant activity of the Center and is presented using the basis of accounting used in preparing the basic financial statements. The information in this schedule is also presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

# Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Health Care Center for the Homeless, Inc.  
Orlando, Florida

We have audited the financial statements of the Health Care Center for the Homeless, Inc. (the Center) as of and for the year ended September 30, 2007, and have issued our report thereon dated February 11, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management, others within the Center, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than those specified parties.

*Pshorn, Henning and Company*

Orlando, Florida  
February 11, 2008

# Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Health Care Center for the Homeless, Inc.  
Orlando, Florida

Compliance

We have audited the compliance of the Health Care Center for the Homeless, Inc. (the Center) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2007. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.



## Internal Control Over Compliance

The management of the Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A control deficiency in the Center's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Center's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the board of directors, management, others within the Center and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than those specified parties.

*Osburn, Henning and Company*

Orlando, Florida  
February 11, 2008

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2007

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's reported issued: unqualified  
Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_yes  X no  
Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_\_\_yes  X none reported  
Noncompliance material to financial  
statements noted? \_\_\_\_\_yes  X no

Federal Awards

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_yes  X no  
Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_\_\_yes  X none reported  
Type of auditor's report issued on  
compliance for major programs: unqualified  
Any audit findings disclosed that are  
required to be reported in accordance  
with Circular A-133, Section .510(a)? \_\_\_\_\_yes  X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.224</u>	<u>Community Health Centers</u>

Dollar threshold used to distinguish  
between Type A and Type B programs: \$300,000  
Auditee qualified as low-risk auditee?  X yes \_\_\_\_\_no

HEALTH CARE CENTER FOR THE HOMELESS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
Year Ended September 30, 2007

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.